

CLAIMS

What is claimed is:

- of:
1. A method of qualifying and applying for a loan online, comprising the steps
obtaining financial information concerning a potential borrower;
determining the likelihood that said potential borrower will be approved for a
loan;
evaluating a loan application for said loan, said loan application including said
financial information and specifying a loan principal;
underwriting said loan to determine an approval status of said borrower for said
loan and for other loans based on preselected underwriting guidelines; and
calculating a customized interest rate based on said financial information for
presentation to said borrower for said loan and for each of said other loans for which said
borrower is approved.
 2. The method of claim 1, further comprising the steps of:
selecting one of said loan and other loans;
locking in said customized interest rate for said selected loan; and
aggregating closing costs into said loan principal of said selected loan.
 3. The method of claim 2, further comprising the step of calculating a current
price at which a secondary mortgage market purchaser will purchase said selected loan.

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4. The method of claim 1, wherein said step of determining the likelihood that said potential borrower will be approved for said loan is performed without reliance on a credit report.

5. The method of claim 1, wherein said step of determining the likelihood that said potential borrower will be approved for said loan is performed without reliance on a collateral appraisal.

6. The method of claim 1, wherein said step of evaluating said loan application involves the step of obtaining a credit report on said potential borrower.

7. The method of claim 1, wherein said step of underwriting said loan involves the step of determining an appropriate level of collateral appraisal field work to be performed.

8. The method of claim 7, wherein said appropriate level of collateral appraisal field work is one of waived, exterior-only collateral inspection and interior and exterior collateral inspection.

9. The method of claim 1, wherein said loan is a home mortgage loan.

10. The method of claim 9, wherein said home mortgage loan is a mortgage refinance.

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11. A method of determining the likelihood that a potential borrower will be approved for a loan, comprising the steps of:

obtaining financial information concerning a potential borrower and a loan;
determining if said potential borrower and said loan meet preselected underwriting guidelines of a secondary mortgage market purchaser based on said financial information;

if it is determined that at least one of said borrower and said loan does not meet said preselected guidelines, revising said financial information concerning said potential borrower and said loan and determining if said guidelines are met based on said revised financial information;

calculating a proxy credit score based on said financial information if it is determined that said borrower and said loan meet said preselected guidelines;

obtaining statistical weights from a look up table;

assigning said statistical weights to preselected characteristics of said loan;

calculating a probability that said potential borrower will be approved for said loan based on said proxy credit score and said statistical weights; and

presenting to said potential borrower a percentage probability of approval for said loan.

12. The method of claim 11, wherein said step of obtaining financial information concerning a potential borrower and a loan involves soliciting responses from said potential borrower to a questionnaire provided over a global computer network.

13. The method of claim 12, wherein said global computer network is the Internet.

14. The method of claim 11, wherein said proxy credit score is lowered if said potential borrower has a history of credit delinquencies.

15. The method of claim 11, wherein said loan is a home mortgage loan.

16. The method of claim 15, wherein said home mortgage loan is a mortgage refinance.

17. A method of underwriting an online loan application, comprising the steps of: retrieving an interest rate that is calculated to be specific to a potential borrower and a loan;

retrieving a yield/point trade-off schedule for said loan;

determining if said potential borrower is approved for said loan at said specific interest rate;

if it is determined that said potential borrower is approved for said loan at said specific interest rate, (i) determining minimum verification documentation, (ii) determining selected loan underwriting parameters, (iii) determining pricing parameters, and (iv) tailoring said yield/point trade-off schedule for said loan based on said pricing parameters;

if it is determined that said potential borrower is not approved for said loan at said specific interest rate, (i) determining a maximum loan amount for approval, (ii) determining a

monthly debt reduction required for approval, and (iii) determining if said potential borrower meets preselected income requirements for alternative loans;

outputting underwriting findings and, if the potential borrower is approved, outputting interest rate quotes; and

repeating the foregoing steps for other loans.

18. The method of claim 17, wherein said minimum verification documentation is directed to at least one of minimum assets to verify and minimum income to verify.

19. The method of claim 17, wherein said selected loan underwriting parameters include a maximum loan amount, a maximum loan amount for aggregating closing costs into principal of said loan, and a minimum refinance amount.

20. The method of claim 17, wherein said pricing parameters include a maximum schedule interest rate, a maximum schedule premium points, a minimum schedule interest rate, a maximum schedule discount points, and a maximum market interest rate for float.

21. The method of claim 17, wherein said loan is a home mortgage loan.

22. The method of claim 21, wherein said home mortgage loan is a mortgage refinance.

23. A method of determining an interest rate quote and points for a loan that are specific to a borrower, comprising the steps of:

inputting borrower and loan information;

retrieving underwriting characteristics;

retrieving a required yield from a current yield/point trade-off schedule; and

calculating adjustments to said required yield associated with said loan based on at least one of (i) credit risk posed by said borrower, (ii) collateral risk associated with not requiring a collateral appraisal, (iii) loan-to-value ratio, and (iv) loan purpose.

24. The method of claim 23, wherein said loan is a home mortgage loan.

25. The method of claim 24, wherein said home mortgage loan is a mortgage refinance.

26. A method of determining an interest rate quote and points for a loan that are specific to a hypothetical borrower for presentation by a loan originator to at least one potential borrower to solicit business, comprising the steps of:

inputting financial information representative of a hypothetical potential borrower based on preselected specifications of said loan originator;

inputting loan information;

retrieving underwriting characteristics;

retrieving a required yield from a current yield/point trade-off schedule; and

calculating adjustments to said required yield associated with said loan based on at least one of (i) credit risk posed by said hypothetical borrower, (ii) collateral risk associated with not requiring a collateral appraisal, (iii) loan-to-value ratio, and (iv) loan purpose.

27. A method of determining a current value for an individual mortgage loan in the secondary mortgage market, comprising the steps of:

retrieving information concerning a specific loan including a gross interest rate;

verifying that said loan has been rate locked;

retrieving a required yield from a current yield/point trade-off schedule;

calculating adjustments to said required yield associated with said loan based on at least one of (i) credit risk posed by said borrower, (ii) collateral risk associated with not requiring a collateral appraisal, (iii) loan-to-value ratio, and (iv) loan purpose;

calculating an interest rate portfolio yield as said gross interest rate less said adjustments;

calculating a yield difference as said required yield less said interest rate portfolio yield;

retrieving a trade-off ratio that reflects what is paid in price for one basis point in yield;

calculating a price difference as said yield difference multiplied by said trade-off ratio; and

subtracting said price difference from 100.

28. A system for qualifying and applying for a loan online, comprising:
input means for obtaining financial information concerning a potential borrower;
means for determining the likelihood that said potential borrower will be
approved for a loan;
means for evaluating a loan application for said loan, said loan application
including said financial information and specifying a loan principal;
means for underwriting said loan to determine an approval status of said borrower
for said loan and for other loans based on preselected underwriting guidelines; and
means for calculating a customized interest rate quote based on said financial
information for presentation to said borrower for said loan and for each of said other loans for
which said borrower is approved.

29. The system of claim 28, further comprising:

means for selecting one of said loan and other loans;

means for locking in said customized interest rate for said selected loan; and

means for aggregating closing costs into said loan principal of said selected loan.

30. The system of claim 29, further comprising means for calculating a current price at which a secondary mortgage market purchaser will purchase said selected loan.

31. The system of claim 28, further comprising means for obtaining a credit report on said potential borrower.

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32. The system of claim 28, further comprising means for determining an appropriate level of collateral appraisal field work to be performed.

33. The system of claim 32, wherein said appropriate level of collateral field work is one of waived, exterior-only collateral inspection and interior and exterior collateral inspection.

34. The system of claim 28, wherein said loan is a home mortgage loan.

35. The system of claim 34, wherein said home mortgage loan is a mortgage refinance.

36. A system to determine the likelihood that a potential borrower will be approved for a loan, comprising:

input means for obtaining financial information concerning a potential borrower and a loan;

means for determining if said potential borrower and said loan meet preselected underwriting guidelines of a secondary mortgage market purchaser based on said financial information;

means for prompting said potential borrower to revise said financial information if it is determined that at least one of said borrower and said loan does not meet said preselected guidelines;

means for calculating a proxy credit score based on said financial information if it is determined that said borrower and said loan meet said preselected guidelines;

means for obtaining statistical weights from a look up table;

means for assigning said statistical weights to preselected characteristics of said loan;

means for calculating a probability that said potential borrower will be approved for said loan based on said proxy credit score and said statistical weights; and

means for communicating to said potential borrower a percentage probability of approval for said loan.

37. The system of claim 36, wherein said input means for obtaining financial information concerning a potential borrower and a loan includes a questionnaire provided over a global computer network.

38. The system of claim 37, wherein said global computer network is the Internet.

39. The system of claim 36, wherein said proxy credit score is lowered based on past credit delinquencies of said potential borrower.

40. The/system of claim 36, wherein said loan is a home mortgage loan.

41. The system of claim 40, wherein said home mortgage loan is a mortgage refinance.

42. A system for underwriting an online loan application, comprising:

means for retrieving an interest rate that is specific to a potential borrower and a loan;

means for retrieving a yield/point trade-off schedule for said loan;

means for determining if said potential borrower is approved for said loan at said specific interest rate;

means for (i) determining minimum verification documentation, (ii) determining selected loan underwriting parameters, (iii) determining pricing parameters, and (iv) tailoring said yield/point trade-off schedule for said loan based on said pricing parameters, if it is determined that said potential borrower is approved for said loan at said specific interest rate;

means for (i) determining a maximum loan amount for approval, (ii) determining a monthly debt reduction required for approval, and (iii) determining if said potential borrower meets preselected income requirements for alternative loan products, if it is determined that said potential borrower is not approved for said loan at said specific interest rate; and

means for outputting underwriting findings and, if the potential borrower is approved, outputting interest rate quotes.

43. The system of claim 42, wherein said minimum verification documentation is directed to at least one of minimum assets to verify and minimum income to verify.

44. The system of claim 42, wherein said selected loan underwriting parameters include a maximum loan amount, a maximum loan amount for aggregating closing costs into principal of said loan, and a minimum refinance amount.

45. The system of claim 42, wherein said pricing parameters include a maximum schedule interest rate, a maximum schedule premium points, a minimum schedule interest rate, a maximum schedule discount points, and a maximum market interest rate for float.

46. The system of claim 42, wherein said loan is a home mortgage loan.

47. The system of claim 46, wherein said home mortgage loan is a mortgage refinance.

48. A system for determining an interest rate quote and points for a loan that are specific to a borrower, comprising:

input means for obtaining borrower and loan information;

means for retrieving underwriting characteristics;

means for retrieving a required yield from a current yield/point trade-off schedule;

and

means for calculating adjustments to said required yield associated with said loan based on at least one of (i) credit risk posed by said borrower, (ii) collateral risk associated with not requiring a collateral appraisal, (iii) loan-to-value ratio, and (iv) loan purpose.

49. The system of claim 48, wherein said loan is a home mortgage loan.

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52. A system for determining a current value for an individual loan in the secondary mortgage market, comprising:

means for retrieving information concerning a loan including a gross interest rate;

means for verifying that said loan has been rate locked;

means for retrieving a required yield from a current yield/point trade-off schedule for said loan;

means for calculating adjustments to said required yield associated with said loan based on at least one of (i) credit risk posed by said borrower, (ii) collateral risk associated with not requiring a collateral appraisal, (iii) loan-to-value ratio, and (iv) loan purpose;

means for calculating an interest rate portfolio yield as said gross interest rate less said adjustments;

means for calculating a yield difference as said required yield less said interest rate portfolio yield;

means for retrieving a trade-off ratio that reflects what is paid in price for one basis point in yield;

means for calculating a price difference as said yield difference multiplied by said trade-off ratio; and

means for subtracting said price difference from 100.

